

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 7341-Q
GAS, INC.)	

O R D E R

On July 19, 1979, the Commission issued its Order in Case No. 7341 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On February 3, 1986, Belfry Gas, Inc., ("Belfry") notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective January 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Belfry's notice of February 3, 1986, set out certain revisions in rates which Belfry proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$3,701 or 4 cents per Mcf.

(2) Columbia actually applied with the Federal Energy Regulatory Commission ("FERC") for a decrease to become effective January 1, 1986. Because of the Btu factor, however, the change in the cost of gas to Belfry is an increase.

(3) Belfry requested an effective date of February 20, 1986. The effective date should be February 23, 1986, which is 20 days after Belfry's notice was filed.

(4) Belfry's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7341 dated July 19, 1979, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after February 23, 1986.

(5) Belfry should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of gas supply. Any changes in the documents, including price escalations or any new agreements entered into after the initial submission, should be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Belfry should explain and justify them in writing.

IT IS THEREFORE ORDERED that:

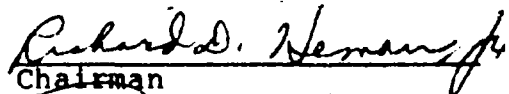
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after February 23, 1986.

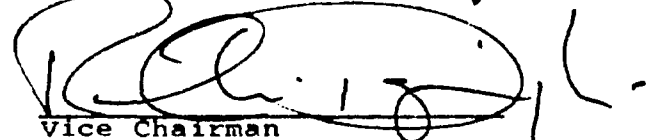
(2) Within 30 days of the date of this Order Belfry should file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Within 20 days of the date of this Order Belfry shall supply the contract information requested herein and comply with all provisions of that request.

Done at Frankfort, Kentucky, this 10th day of February, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 7341-Q DATED 2/10/86.

The following rates are prescribed for the customers served by Belfry Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATES: Monthly

First 1,000 cu. ft.	\$8.13 Minimum Bill
Over 1,000 cu. ft.	5.62 per 1,000 cu. ft.

The base rate for the future application of the purchased gas adjustment clause of Belfry Gas, Inc., shall be:

	<u>Commodity</u>
Columbia Gas Transmission Corporation Schedule SGS	\$4.4532 per Mcf